

PREFACE

This audit manual supersedes the June 2010 State of Tennessee Department of Audit, *Audit Manual*, and any subsequent revisions or additions to that manual. This manual should be used for audits issued on or after June 30, 2011. The purpose of this manual is to assist auditors in auditing and reporting on Tennessee governmental units, recipients of subrecipient funds and other organizations. However, auditors are ultimately responsible for becoming familiar with applicable auditing and reporting standards. Our objectives in developing this audit manual were as follows:

- To provide auditors:

web site addresses relevant to audits performed for the Comptroller of the Treasury, State of Tennessee;

web site addresses for publications issued by the Comptroller of the Treasury, State of Tennessee;

web site addresses for obtaining authoritative literature related to Tennessee governmental units and nonprofit organizations receiving state funds;

a summary of unique reporting requirements for audits conducted for the Comptroller of the Treasury, State of Tennessee.

This information is provided to help auditors gain a basic understanding of the governmental environment in Tennessee. The manual includes general auditing standards and requirements (Section A) and characteristics of specific entities (Sections B through I). A brief reference listing with web links is included as well (Section J). The appendices include selected schedule examples, selected references to *Tennessee Code Annotated* for counties, municipalities, and utility districts, some suggested audit procedures, fraud considerations and other miscellaneous information.

- To guide the auditor to appropriate literature instead of providing detailed procedures. Detailed information can be found in the appropriate AICPA industry audit guides, *Codification of Statements on Auditing Standards*, *Government Auditing Standards*, OMB circulars, etc. To comply with the standards, an auditor must be knowledgeable of the most recent changes in the accounting profession.

References in this manual are enclosed in parentheses. For questions about this manual, please contact the Comptroller of the Treasury, Department of Audit.

County Audit

(615) 401-7841

Municipal Audit

(615) 532-4460

State Audit

(615) 401-7897